



# Loss Prevention Review Team Program

## OFFICE OF FINANCIAL MANAGEMENT

### PROGRAM GUIDELINES

#### REPORTING

##### **Authority**

RCW 43.41.370(4) authorizes the Office of Financial Management (OFM) to establish reporting guidelines for the Loss Prevention Review Team.

##### **Who Reports**

The Loss Prevention Review Team program (LPRT) applies to all state agencies. "State agency" includes any state office, agency, commission, department or institution, including colleges, universities, and community colleges financed in whole or in part from funds appropriated by the Legislature.

##### **What to Report**

State agencies report the following incidents to OFM under LPRT:

1. Death
2. Significant injury
3. Substantial loss
4. Substantial loss related to agency policies or procedures OR management practices, particularly where it appears there is a risk the event may recur
5. Substantial loss related to litigation or defense practices

##### **Report Source**

Agencies report incidents arising out of their programs or activities. If there is a shared responsibility, both agencies report the incident to OFM. OFM may also identify an incident as within LPRT's ambit, and request that an Initial Incident Report be provided.

##### **LPRT Liaison**

OFM recommends that each agency identify an individual to act as liaison with OFM's Risk Management Division for reporting.

##### **Report Format**

OFM asks that incidents be reported on the Initial Incident Report developed by LPRT. The form can be sent in hard copy, or electronically. The form can be accessed on OFM's website under the LPRT section of the Risk Management tab, at [www.ofm.wa.gov](http://www.ofm.wa.gov).

##### **Report Timing**

The statute requires immediate reporting to OFM after an incident occurs. Please file Initial Incident Reports with LPRT within 10 business days of identifying that a LPRT level incident occurred.

OFM will accept a report whenever an agency realizes that an incident occurred that falls within the reporting criteria. Receipt of a formal claim may be the agency's first notice of a LPRT level incident. Even though the claim is served through OFM-RMD, a LPRT Initial Incident Report is also filed.

Similarly, even if other reports are also filed with OFM, the Governor's office or other state agencies regarding a LPRT level incident, please also file the LPRT Initial Incident Report with OFM-RMD.

### **Unique Reporting Criteria**

At its inception, LPRT Guidelines identified unique reporting criteria for certain types of state agencies. OFM recognizes that each agency, and each program experiences different levels of exposure to the types of incident reportable under LPRT. However, the program's mandate requires reporting, and an assessment of the incidents reported as to whether they merit review. OFM will no longer apply unique reporting criteria, with the following exception.

Where reporting all incidents that fall into a certain category is overly burdensome for a state agency, OFM may agree to apply another reporting filter. Agencies should contact OFM to identify the category of incidents that would be too burdensome to report without another filter, and include the following information in their request to limit reporting:

- ✓ The total number of incidents that would have been reported without limitation during the preceding fiscal year;
- ✓ The proposed limitation, and rationale for it;
- ✓ The total number of incidents that would have been reported with the suggested limitation during the preceding fiscal year.

OFM will review the request, and determine whether or not to apply the reporting limitation. While OFM is making that decision, please continue to report all qualifying incidents.

## **REVIEW DETERMINATIONS**

Under LPRT, the Director makes a determination that a review is or is not merited. RCW 43.41.370 (1). The LPRT program manager prepares an assessment of each reported incident for the Director's use to make that determination.

### **Assessment**

When an agency reports an incident to LPRT, the incident is assigned a log number, and the LPRT program manager requests from the agency the initial materials required to assess the merit of performing a review. The assessment includes the following areas:

- Identifying potential areas of state liability
- Determining the potential for recurrence and in what form
- Whether the agency actions before, during and after the event conformed to its policies and procedures in effect at the time
- Whether the policies and procedures changed after the event, and if so, do the changes impact the likelihood of recurrence
- Determining the agency's response and efforts to evaluate the event
- Identifying any corrective action and evaluating it
- Empirical types of claims/litigation arising from similar events for the agency or other agencies

**Documents**

Documents relevant to the incident and its assessment may be requested by the LPRT. OFM asks that it receive documents in a copied or electronic format, without redaction or editing, when the LPRT program manager requests it. If a document is confidential, proprietary or otherwise deemed privileged or exempt from public production, the source agency should note that on the document or on a cover sheet attached to the document.

**Confidentiality**

Each LPRT review team member executes a Confidentiality Agreement promising to keep the review process, documents and interviews confidential to the extent that they involve confidential documents or incidents subject to privacy or confidentiality requirements. The Confidentiality Agreement requires LPRT team members to employ adequate security measures to prevent third party access to confidential documents or information. OFM staff working with confidential or privileged documents also execute Confidentiality Agreements.

**CONDUCTING THE REVIEW****Agency Notice**

OFM's Director appoints a team to review incidents, and notifies the agency in writing that a review is planned.

**Review Team Composition**

The Review Team is an independent group of volunteers. At least one member of the review team will have specific expertise in the topic of the review or the subject agency.

**Team Coordinator**

OFM designates a team Coordinator, who is generally an OFM employee, to facilitate the review process and coordinate with the agency to set up interviews and obtain documents and other information for the review. Please direct any comments, concerns or complaints during the review to the Team Coordinator or to the manager of the LPRT program for resolution.

**Team Focus**

The review involves one or more incidents reported to LPRT. The purpose of the review is not to conduct an audit or to determine liability or fault. The review is a risk assessment tool that identifies what happened leading up to an event, what the agency's role was or was not, and identifying loss prevention strategies to prevent the same thing from happening in the future, as well as ways to minimize the loss resulting from such an event.

**Duration of Review**

Generally, the Review Team takes four months to review the incident(s), evaluate them and prepare the report. On average, Review Team members spend a minimum of 350 hours preparing the report, and more if the subject is complex or there are multiple incident events included in the review.

## REVIEW REPORT

The Review Team concludes its review by issuing a report addressed to the Director of OFM, and the Director of the agency whose program is being reviewed. The final report will be posted on OFM's website. The final report shall not disclose the contents of any document required by law to be kept confidential.

## AGENCY RESPONSE

RCW 43.41.380 requires the agency to respond to the review team report within 120 days of the completion of the report. For purposes of triggering this, OFM defines completion of the report as the day the agency receives the report from OFM in final form.

**Sixty day meeting** OFM asks the agency to meet with the LPRT program manager at the 60-day mark to review the status of the 120-day response, for several reasons. The first is so that OFM can communicate implementation or funding issues that are on the horizon to its staff, and second, so that OFM's Director can determine what other information is required in the response, per the statutory language found in RCW 43.41.380.

**120 Day Response** The 120 day response becomes part of the final report, and OFM posts it on its website. The response should identify the recommendations the agency chooses to implement and its implementation plan, including any funding or legislation required for implementation, and whatever other information OFM may require.

## IMPLEMENTATION

**Agency Implementation** The agency is responsible for identifying which recommendations it plans to implement. In cooperation with OFM, implementation includes working through budget issues associated with the recommendations, policy issues, and program design and personnel aspects of carrying out the review team recommendations being implemented.

**Monitoring** OFM's Risk Management division will monitor the implementation by the agency, and assist the agency to the extent possible with the implementation of the Review Team's recommendations.